

CableFAX Daily™

Thursday — April 26, 2012

What the Industry Reads First

Volume 23 / No. 080

Gimme an R-U-S: Broadband Loans Probed as Congress Works on Farm Bill

It was the Battle of the Unserved vs Underserved all over again in a **House Ag** subcomte Wed. With Congress working on passing a new Farm Bill this year, the House Subcmte on Rural Dev, Research, Biotech and Foreign Ag held the 1st of 8 hearings Wed on reauthorizing farm programs. One such program is the broadband funding administered by **RUS**. Representing **NCTA** at the hearing was **Suddenlink** evp *Dave Rozzelle*, who testified that time and time again the **USDA's** Inspector Gen has found taxpayer dollars were used to underwrite broadband services in areas they already have broadband from providers that are wholly funded by risk capital. It's relatively early in the 900-page bill's cycle, so the hearing mainly served to tee up an issue that we'll likely hear more about in coming months. Rep *Austin Scott* (R-GA) did press Rozzelle on the difference between unserved and underserved communities, noting in his experience he has paid "significantly" more for broadband for his rural home than for his business, which is in a market served by more than 1 competitor. He seemed to be implying that RUS funding for underserved areas can help drive down the cost of broadband and encourage more adoption. Rozzelle said some of Suddenlink's smaller communities with broadband pay more than larger areas and some pay less. **Bloomington Comm** CEO *Mark Bahnson*, who represented the **Natl Telecom Coop Assoc** at the hearing, said areas with competition are absolutely cheaper. The battle over the govt helping to fund competition in areas already served by broadband providers has been raging for years, and it grew with the broadband stimulus funding RUS and **NTIA** administered. NCTA wants the new Farm Bill to limit funding to substantially unserved areas where at least 75% of the residential HHs lack access to broadband service of at least 4Mbps downstream and 1Mbps upstream. In his testimony, Bahnson said such a scenario would mean a provider wishing to receive a loan to serve a rural area where 74 out of 100 people don't have access to broadband wouldn't qualify. "It should also be noted that in rural areas, such a population could be spread over miles and miles," he said. "Is eliminating the Broadband Loan Program as an option to help provide service in such a situation the right answer for households and businesses that remain unserved year after year and have no prospect for broadband service in sight?" NCTA's wishlist for the bill includes allowing existing providers to submit info about their service areas that may overlap areas proposed to be served by an applicant, prioritizing support to areas most in need and increas-



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Genevieve Gorder
HGTV DESIGN STAR

Ted Allen
CHOPPED

Anthony Bourdain
NO RESERVATIONS

HGTV food network travel CHANNEL scrippsnetworks | Passionate Viewers Live Here

Source: Beta Research, Brand Identity Study, March 2012, Base Viewers 25-54. Ranked among 47 basic cable networks.

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax:301.738.8453 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 818.945.5309, mgrebb@accessintel.com ● Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Publisher: Debbie Vodenos, 301.354.1695, dvodenos@accessintel.com ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Marketing Dir: Barbara Bauer, 301.354.1796, bbauer@accessintel.com ● Prod: Joann Fato, 301.354.1681, jfato@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Subs/Client Services: 301.354.2101, fax 301.309.3847 ● Group Subs: Amy Russell, 301.354.1599, arussell@accessintel.com

ing transparency and accountability, with those receiving reports being required to report quarterly on progress and use of funds. Quizzed by Rep *Bobby Schilling* (R-IL) on whether FCC reforms have made providers more reluctant to invest in broadband deployment, Bahnsen indicated it was an issue, with uncertainty related to the FCC's USF and ICC reform proposals putting possibly billions of RUS loans at risk of default. "My consultants tell me that by 2015 consumers are going to want 100Mbps at their homes," he said. "If true, there is a huge challenge in front of us, and we can't make the investments to get there." **Speaking of Broadband:** On Wed, the FCC officially launched the Connect America Fund, as it reforms the Universal Service Fund to support broadband. Under Phase 1 of CAF, carriers have 90 days to accept the funding, as well as the aggressive buildout requirements that must begin in the coming months.

On the Hill: A day before the House is expected to consider cybersecurity legislation, **NCTA** pres/CEO *Michael Powell* took to *Politico's* op-ed page to make the case for the bill. The column reiterated NCTA's key cybersecurity message: we need information sharing between industries and govt agencies. "Sharing network information, however, requires sensitivity to the privacy concerns of those using the network. To their credit, the sponsors have listened to these concerns and worked diligently to narrow the scope of information collected and shared in connection with cyberthreats," Powell wrote. The bill is sponsored by House Intelligence Committee Chairman *Mike Rogers* (R-MI) and ranking member *Dutch Ruppersberger* (D-MD).

5Qs with Bravo's Lisa Hsia: *Bravo is a forerunner in digital initiatives, recently running a digital-only series to complement its "Top Chef" series. It went down as the most-streamed NBCU video series ever. Now BravoTV.com is headed for a revamp to make the site more of a social experience. Lisa Hsia, evp, Bravo Digital Media, gave us the inside scoop.*

How did you attract on-air viewers to watch your digital-only show, "Last Chance Kitchen?" When contestants got eliminated from the show they found out they were actually going to compete in a digital-only series to get back into the on-air show. So as the on-air show ended, viewers were directed to check out "Last Chance Kitchen" online, on mobile, on tablets. To really find out what happened, you had to go to another platform. Then we built all these other things across platforms to drive usage. There was a fan favorite component and a really deep social media plan to drive fans to watch both the on-air and the digital series. And the whole thing was sponsored by Toyota. **How much effort and planning went into it?** I would say the planning took almost a year, because you have to shoot it at the same time the [on-air] series is shot, long before it's on the air. The results were phenomenal. There were 8mln streams across multiple platforms, across Web, mobile, tablet, iTunes, **Hulu**, etc. Honestly, we'd never had a Web series that even hit a million. By the end of the series, 26% of the on-air viewers were watching "Last Chance Kitchen" on digital platforms. **Will you do similar initiatives with other shows?** It's been such a success that we realized we really need to do this with many

YOUR CUSTOMERS RANKED US #1 AS HAVING THE MOST LIKABLE STARS ON TV!

food network

STAR

SUNDAYS 9|8c

scrippsnetworks | Passionate Viewers Live Here

Source: 2012 Beta Research Brand Identity Study. Ranking based on viewers' ability to "very much describe the networks' having hosts/on-air personalities they like."

The CableFAXIES

awards Finalists

CableFAXIES 2012 Finalists:

People Awards - Marketer of the Year:

- Gaynor Strachan Chun - Ovation
- Tom Carr & Lara Richardson - TLC

Marketing Team of the Year

- Cheetah Technologies, LP
- HGTV
- TLC

PR Executive of the Year

- Marie Moore - IFC
- Chris LaPlaca - ESPN
- Alyssa Corcoran - NBCU

PR Team of the Year

- ESPN
- FX
- Investigation Discovery
- Time Warner Cable

Advertising Campaign for a Network

- ABC Family - Anti-Bullying Campaign
- Food Network - Event, Social Media and Magazine Branding
- Scripps Networks Interactive - HGTV - 30 Days of Holidays
- TLC - Royal Wedding Week

Advertising Campaign for a Single Program

- A&E Television Networks - Breakout Kings Season 1
- HBO - Game of Thrones
- Scripps Networks Interactive - HGTV - Property Brothers
- Sportsman Channel - Beau Knows Outdoors
- The Hub TV Network - My Little Pony Friendship is Magic

Community Relations

- Big Ten Network - BTN LiveBIG Campaign
- Knology - Knology a Sponsoring "Buddy" of National Down Syndrome Society
- NBCUniversal - USA Characters Unite
- Sportsman Channel - Hunt, Fish, Feed
- Suddenlink Communications - Connecting to Those in Need

Corporate Social Responsibility/Green Campaign

- Cartoon Network - Cartoon Network's Stop Bullying: Speak Up
- HISTORY - Give 150 Civil War Outreach Campaign
- International Media Distribution - TV JAPAN 2011 Earthquake/Tsunami Outreach
- Style Network PR - Fight with Style Skin Cancer Awareness and Beauty Bus

Direct Response Marketing

- A&E Television Networks - Halloween Sales Drama Mailer
- Cox Media California - Cox Media-AT&T U-Verse Sponsorship Video Email Blast
- Time Warner Cable - Engagement

Touch Program

Integrated Marketing Campaign

- Big Ten Network - BTN LiveBIG
- HBO - Game of Thrones
- RLTV - Making Medicare Work for You
- Starz Entertainment - Torchwood: Miracle Day - Integrated Campaign
- The Hub TV Network - Transformers Prime TV Series Sustain Campaign
- Time Warner Cable - Holiday Campaign

Marketing Campaign - Distributor

- Comcast Cable - Quincy World of More Upgrade
- Comcast Spotlight - Eye-con Marketing Campaign
- Time Warner Cable-Wisconsin - Go Pack Go Yard Sign Campaign

Marketing Campaign - Programmer

- A&E Television Networks - Beyond Scared Straight
- Big Ten Network - BTN LiveBIG
- Bravo Media - Summer by BRAVO
- Crown Media Family Networks - Countdown to Christmas Campaign 2011
- GMC - Uplift Someone America Bus Tour
- NBCUniversal - Your Summer Solution

Marketing of a Continuing Series

- Cartoon Network - Adventure Time
- HBO - Boardwalk Empire - Season 2
- The Hub TV Network - Transformers Prime TV Series Sustain Campaign
- Turner Network Sales - TBS Team Coco Button Booth Tour
- TV Land - Hot in Cleveland 2012 Overall Marketing

Marketing of a New Series or Show

- A&E Television Networks - Breakout Kings
- Big Ten Network - BTN LiveBIG
- CMT: Country Music Television - CMT Working Class
- Fuse - Funny or Die's Billy On The Street
- ION Media Networks - ION Television - "Flashpoint" Launch
- Oxygen Media - The Glee Project Season 1 Marketing Campaign
- RLTV - Good Food, Good Deeds

Marketing of a Special or Documentary/Documentary Series

- G4 - Bomb Patrol: Afghanistan - Series Premiere
- Investigation Discovery - Sin by Silence
- TLC - Royal Wedding Week

Media Event

- Discovery Communications - Velocity Launch Event in New York City
- ESPN - 2012espnW Women's World Cup Media Event
- ESPN - ESPN's 2011 Upfront Event
- NBCUniversal - Bravo's Top Chef Tour

Media Relations Campaign

- Cartoon Network - Stop Bullying: Speak Up
- IFC - Portlandia Season 2
- National Geographic Channels - George W. Bush: The 9/11 Interview
- NBCUniversal - Top Chef Tour
- Oxygen Media - The Glee Project
- Scripps Networks Interactive - HGTV - My Yard Goes Disney

Multicultural Marketing - Distributor

- Comcast - IPN Free Campaign - Chicago
- Time Warner Cable - Mi Vida A Mi Manera Brand TV Campaign

Multicultural Marketing - Programmer

- nuvoTV - nuvoTV Rebrand
- Telemundo/LeadDog Marketing Group - Club de Noveleras Talent Tour
- TLC - All-American Muslim

PR Stunt

- A&E Television Networks - Halloween Sales Drama Mailer
- HBO - Boardwalk Empire Season 2 - Compliments of Nucky / Vintage Train
- ION Media Networks - ION Television - Newsstand Stunt
- TBS/LeadDog Marketing Group - NYCOCOMoCA: The New York Museum of Conan Art

Press Kit

- A&E Television Networks - Stephen King's Bag of Bones
- National Geographic Channels - Nat Geo WILD's Born to be WILD
- Sportsman Channel - Dropped/Meat Eater
- Turner Broadcasting - Turner Broadcasting 2011 Upfront Kit

Programming Stunt

- E! Entertainment - E! Royal Wedding
- FEARnet - Trick 'r Treat Campaign
- The Hub TV Network - The Haunted Hub and Haunt Your House Sweepstakes
- TLC - Royal Wedding Week

Public Affairs Campaign

- Big Ten Network - BTN Live BIG
- Discovery Familia - Discovery Familia's PALA Challenge
- Halogen TV - Halogen TV/Cox San Diego Soles4Souls Campaign (2011)
- HISTORY - Civil War 150
- National Geographic Channels - Cause an Uproar
- Ovation - Ovation Partners with Americans for the Arts for Arts Advocacy Day 2011
- RLTV - Making Medicare Work for You

Social Media during a Program

- Big Ten Network - BTN Live
- Bravo Media - The Real Housewives of Atlanta
- ESPN - First Take #WhenSkipMeetsTebow

Social Media Marketing

- A&E Television Networks - Storage Wars All Access
- Sundance Channel - Girls Who Like Boys Who Like Boys Campaign
- HBO - Game of Thrones/Fan Activation/Maesters Path

- Oxygen Media - The Glee Project Social Media Campaign
- Starz Entertainment - Spartacus: Vengeance - Take Up Arms Facebook App

Sweepstakes and Games Marketing

- CMT: Country Music Television - CMT Top Secret Recipe
- Crown Media Family Networks - Santa-riFIC Mobile Tour & Sweeps
- Fuse - Foo Fighters - This Video Sucks
- The Hub TV Network - The Haunted Hub and Haunt Your House Sweepstakes
- TLC - Bakin' with the Boss Book Tour, Who Takes the Cake? Sweepstakes

Tchotchke

- ESPN - 2012 ESPN Planning Guide
- FEARnet - FEARnet's 2011 Premiums
- National Geographic Channels - Rocket City Rednecks Beer Cooler-Koozies
- The Hub TV Network - CLUE Miniseries Event DVD Screener & Game
- Outdoor Channel - Spring Fever 2011 - Bear Paw Slippers

Technology Vendor Marketing (B2B)

- Canoe Ventures - Building the ITV Marketplace
- Clearleap, Inc. - Stream Big
- Motorola Technology Services - SCTE Trivia Game
- SeaChange International - The SeaChange Summit: Monetizing Multi-Screen Video

Technology Vendor Marketing (Consumer)

- HBO - HBO GO
- Hulu - Hulu Plus
- TiVo - TiVo Premiere

Trade Show Marketing/PR

- Canoe Ventures - Building the ITV Marketplace
- HBO - True Blood at Comic-Con 2011
- Scripps Networks Interactive - HGTV - Junk Gypsies at Round Top
- Sportsman Channel - Hunt, Fish, Feed at the NCTA Cable Show
- Time Warner Cable - Senior Management Meeting

Video: use of video or moving image

- AMC - Supplemental Graphic Novel/Adventure Online Games
- E! - E! Live from the Red Carpet App
- ESPN - Day in the Life Video
- Time Warner Cable - TWC TV App

Viral Marketing Campaign

- Big Ten Network - BTN - Fan Fest 2011 B1G Ten Football Championship Game
- Karmaloop - Reclaim Your TV Campaign
- TLC - Virgin Diaries

Youth Marketing

- Disney Channel - Disney Junior Launch Campaign
- Nickelodeon - Fresh Beat Band Live Concert Tour
- SPROUT - Sprout & Learning Care Group: Kindness Counts
- Time Warner Cable - Radio Disney's 15th Birthday Jam

BUSINESS & FINANCE

shows. The next iteration will be for the “Real Housewives.” We’re taking it to the next level, the co-creation of content by fans. It will start with “Real Housewives New York” this summer, then after the show you go into a social game. You’ll enter into the wives world—you’ll interact with them at parties, get dressed to go out, go to restaurants, shopping, and you go on weekly quests related to the show.

Will there be a sponsorship with this, too? How will you monetize it? With most social games there are micro-payments involved, but we’re also looking for sponsorship. **How do you meet the challenge of monetizing digital initiatives?** I think monetizing digital continues to be a challenge. I hope to look back to this and say we were in the Stone Ages in terms of social media analytics and cross-platform measurement. We will get there. Obviously we’d like to grow scale. And social is going to be a huge tool in helping us outreach and grow our audiences and... keep our audiences coming back for more. It’s just fascinating how sophisticated analytic tools are becoming. It shows you how important social is to our business going forward. The godfather of transmedia, professor Henry Jenkins, said, “If it doesn’t spread, it’s dead.” We need to take whatever we have and turbo charge it through social and multi platforms to get the ultimate reach for the content, wherever it is. *[Head over to CableFAX.com to find out how Bravo is using Pinterest].*

CableFAX Daily Stockwatch

Company	04/25 Close	1-Day Ch	Company	04/25 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	48.02	0.42	CONCURRENT:	3.51	(0.11)
DISH:	31.64	0.67	CONVERGYS:	13.19	0.11
DISNEY:	42.70	0.52	CSG SYSTEMS:	14.26	UNCH
GE:	19.45	(0.09)	ECHOSTAR:	28.12	0.74
NEWS CORP:	19.62	0.07	GOOGLE:	609.72	8.45
MSOS					
CABLEVISION:	14.19	0.41	HARMONIC:	4.62	0.04
CHARTER:	60.63	0.46	INTEL:	27.86	0.55
COMCAST:	29.65	0.30	JDSU:	12.63	0.36
COMCAST SPCL:	29.24	0.31	LEVEL 3:	23.11	0.70
GCI:	7.78	0.20	MICROSOFT:	32.20	0.28
KNOLOGY:	19.54	0.05	MOTOROLA MOBILITY:	38.52	0.38
LIBERTY GLOBAL:	48.89	0.34	RENTRAK:	18.67	(0.17)
LIBERTY INT:	18.58	0.12	SEACHANGE:	8.22	(0.03)
SHAW COMM:	19.99	0.11	SONY:	16.42	(0.2)
TIME WARNER CABLE:	82.15	1.21	SPRINT NEXTEL:	2.43	(0.04)
VIRGIN MEDIA:	24.17	0.33	THOMAS & BETTS:	71.82	(0.06)
WASH POST:	378.22	4.57	TIVO:	11.01	0.17
PROGRAMMING					
AMC NETWORKS:	42.97	0.43	UNIVERSAL ELEC:	16.78	0.76
CBS:	33.26	0.71	VONAGE:	2.07	UNCH
CROWN:	1.55	0.05	YAHOO:	15.49	0.07
DISCOVERY:	52.21	0.72	TELCOS		
GRUPO TELEVISA:	20.22	(0.04)	AT&T:	31.74	0.02
HSN:	37.70	0.96	VERIZON:	39.48	(0.02)
INTERACTIVE CORP:	46.96	1.43	MARKET INDICES		
LIONSGATE:	12.14	0.62	DOW:	13090.72	89.16
LODGENET:	2.76	(1.62)	NASDAQ:	3029.63	68.03
NEW FRONTIER:	1.56	0.01	S&P 500:	1390.69	18.72
OUTDOOR:	7.09	0.39			
SCRIPPS INT:	49.42	1.28			
TIME WARNER:	37.18	0.76			
VALUEVISION:	1.71	(0.03)			
VIACOM:	51.49	0.80			
WWE:	7.92	0.04			
TECHNOLOGY					
ADVANTAGE:	2.47	UNCH			
ALCATEL LUCENT:	1.95	0.07			
AMDOCS:	31.88	0.41			
AMPHENOL:	57.32	0.80			
AOL:	24.59	(0.02)			
APPLE:	610.00	49.72			
ARRIS GROUP:	11.70	0.39			
AVID TECH:	8.41	0.10			
BROADCOM:	36.51	2.09			
CISCO:	19.49	0.07			
CLEARWIRE:	1.35	(0.05)			

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1 Kathy Filosa, Cablevision Systems Corp. 2 Jeffrey Hirsch, Time Warner Cable 3 Benjamin Pyne, Disney Media Networks 4 Alan Wurtzel, NBC Universal Global Networks

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Think about that for a minute...

Jack Be Nimble

Commentary by Steve Effros

He better be both nimble and quick, and you had better be also, or you're going to miss the latest "great idea" for getting around the distribution contract restrictions imposed by video programmers.

Here we are again, using a children's rhyme or fable in reaction to the latest gimmick on how to distribute all video programming on the web. A few weeks ago I led with "Thumbelina" to talk about Aereo's "thumb sized" antennas, a technology which allegedly changes the entire relationship between program owners and distributors of broadcast television. Now we've got yet another idea, this one from NimbleTV, which says that all they have to do is claim to be an "agent" for a subscriber, and they can then get



all the subscription programming from a cable or satellite deliverer, transcode it and stick it on the Internet for that subscriber to use wherever and whenever they want. The "whenever" part comes from a virtually unlimited remote DVR capacity that is thrown into the deal.

Whew, and for only an additional \$20 bucks or so! The "gimmick" this time, unlike the Aereo claim that they don't "retransmit" anything and therefore are not responsible for any fees for retransmission consent or copyright liability, is that the programmers and the cable/satellite guys are all getting paid. The "subscriber" pays the full freight and then an additional sum so that their cable box resides at some location in the cable system footprint (the first one, naturally, is in New York City) and NimbleTV becomes, in essence, a massive MDU, redistributing the signals worldwide via broadband.

The "subscriber" doesn't have to live where the box is, says Nimble—indeed, they can't! So they essentially claim subscribers could actually live anywhere. There are also

suggestions that consumers could switch from one cable supplier to another, or to a satellite supplier almost instantaneously. Never mind that this implies NimbleTV is going to have its MDU transcoding offices in every major franchise jurisdiction, because, remember... cable operators have to have a franchise to supply that programming in any given location. Or maybe we will all just watch NY and LA.

There are so many legal questions surrounding this idea it's hard to keep them all straight! What's even more amazing is that at least one "market analyst" who has played with the system is so head over heels in love with the idea he has already stated he sees no significant legal problems! Wonder what he's smoking... I want some, but not when I'm giving legal or financial advice!

Let's just run through a few realities; while this is a very interesting idea for jump-starting "TV Everywhere" and setting a price for that separate service, you still need the cooperation of the program owners. You can't "gimmick" your way around that. HBO, for instance, has long made it abundantly clear that folks in the Caribbean cannot create "phantom" addresses in Miami in order to get a DBS box and then watch the programming on their island. Why? DBS only has the US distribution rights to that programming, that's why.

Cable operators cannot, according to lots of contracts, knowingly sell subscriptions to someone who is not a resident of the community they have the franchise to sell in. So if this new service is going to be at all legally viable, which I question, it will only be for those who actually live in the community and travel a lot! Good luck. This sounds to me like a lot more hot Aereo.

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry)

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